

Florida Foreign Trade Review



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JUNE

“TRADE USA” Second Visit to Tampa

By Jorge A. Ramirez, Editor

The Greater Tampa Chamber of Commerce's Committee of One Hundred, hosted three important international meetings in Tampa on June 4, 2003 bringing together international business leadership from around the state.

The primary focus for the day was to host 15 business delegates from Colombia and Ecuador who traveled to Florida under the Trade USA program and which was supported by AmCham of Ecuador and hosted jointly with the Florida Foreign Trade Association. After spending two days in Miami, the delegation arrived in Tampa on June 4th, where one-on-one appointments had been arranged for the delegates.

Two other statewide groups also met in Tampa to discuss international trade development strategies. One of these included the Florida District Export Council which is comprised of international trade leaders appointed by the U.S. Secretary of Commerce to advise and assist the efforts of the U.S. Department of Commerce staff to promote trade.

A third meeting was hosted by Enterprise Florida and the U.S. Department of Commerce and a number of international trade organizations that have all signed a Memorandum of Understanding to work closely with EFI and the U.S. Department of Commerce to promote international trade in Florida. The MOU partners discussed how to create a more effective statewide effort to maximize local and state resources for trade promotion activities.

Manny Mencia, Senior Vice President of Enterprise Florida was the keynote speaker at the luncheon which was open to attendees of all three meetings. In his speech Mr. Mencia covered statewide international economic development initiatives and the opportunities for trade with Colombia and Ecuador as a region.

For more information on other trade related events taking place in the Tampa area, please contact: **Ms. Charlotte**

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Ms. Charlotte Starfire

United States and Chile Sign Historic Free Trade Agreement

FTA is First Between U.S. and a South American Nation

MIAMI — The United States and Chile today signed an historic and cutting-edge Free Trade Agreement (FTA) that when fully implemented eliminates bilateral tariffs, lowers trade barriers, promotes economic integration and expands opportunities for the peoples of both countries. U.S. Trade Representative Robert B. Zoellick signed on behalf of the United States, and Chilean Foreign Minister Soledad Alvear signed for Chile, at the Vizcaya Museum and Gardens in Miami. The U.S.-Chile FTA is the first free trade agreement between the United States and a South American country.

"This is an historic agreement that sets a high benchmark for future FTAs. I'm honored to represent President Bush, whose leadership and convictions have helped to restore American trade and economic leadership," said Zoellick. "This state of the art agree-



Soledad Alvear and Robert Zoellick sign agreement.

ment slashes tariffs and quotas, reduces barriers for services, protects leading-edge intellectual property, keeps pace with new technologies and new ways of doing business, ensures regulatory transparency, and promotes labor and environmental protections."

A 'Blue Ribbon' Country

Chile is one of the world's most physically diverse countries. From fertile valleys to the highest mountain peaks in the Americas, the Andes; from the world's driest desert to lush cold rainforests; and from sandy beaches to frigid Antarctica, Chile's exquisite natural diversity is breathtaking. It also provides for a rich tapestry of natural resources in forestry, minerals, fish stocks and agricultural land.

Chile's economic performance over the last 15 years is also something to admire. Chile grew at 7

percent per annum, cut in half the percentage of those living below the poverty line, and doubled the average income of Chileans.

Inflation has been reduced to around 3.5 percent.

Transparent, market based economic policies, managed by solid institutions — including an independent Central Bank — have served Chile well. Chile has also deliberately opened and internationalized its economy, with two-way trade equal to over 50 percent of its GDP.

A Leader in Opening Markets

Solid Commitment To Free Trade

International trade is the cornerstone of Chile's economy, and Chile is widely recognized as one of the most open markets in the world. Combined exports and imports now account for over 50 percent of the country's gross domestic product (GDP).

Chile's trade philosophy is grounded in the belief that the elimination of trade barriers benefits all economies and helps them to grow and prosper.

Chile not only practices its commitment to open markets at home, but it also vigorously pursues and advocates for free trade bilaterally, regionally and multilaterally.

Chile has been an active participant in the General Agreement on Tariffs and Trade (GATT) since its inception in 1947. Furthermore, it supports the new multilateral trade round under the auspices of the World Trade Organization (WTO).

Chile is a leader in the Free Trade Area of the Americas (FTAA) negotiations. In April 1998 Chile hosted the Second Summit of the Americas in Santiago, where the FTAA talks were officially launched.

Chile is a member of the Asia-Pacific Economic Cooperation Forum (APEC), and supports its efforts to achieve free trade and investment among member countries.



At a Glance: Chile — A Leader

- Chile was the 4th fastest growing economy in the world during the 1990s and has maintained steady growth in 2000 (5.4%) and 2001 (3.5%*), in spite of the global economic downturn. (* Estimated)
- Chile has run a government budget surplus every year but one, in the past fifteen years.
- Chile ranks only one place behind the U.S. in the global Corruption Perception Index conducted by Transparency International. Chile ranked ahead of Germany, Japan, and the rest of Latin America.
- Chile's transparent government practices rate it 2nd worldwide, tied with the U.S. and only behind Singapore, according to PricewaterhouseCoopers Opacity Index.
- Chile ranks 9th, among 155 nations in The Heritage Foundation's Index of Economic Freedom, just one place behind the U.S. and ahead of countries such as Canada, Germany, France, Japan, Italy, and South Korea.
- Chile places 2nd after Singapore and ahead of all of Latin America, according to the Emerging Market Access Index of the Tuck School of Business at Dartmouth College.
- Chile is ahead of all Latin American countries in The Economist's Intelligence Unit ranking of e-business readiness.
- Chile has a private social security system that is highly successful. It has facilitated a high savings rate providing capital for domestic investment that reduces Chilean dependence on foreign investment.
- Chile's telecommunications system is completely digital.
- Standard & Poors, Moodys and Duff and Phelps give Chile an A-sovereign rating, ahead of all in Latin America.
- The United Nations recognizes Chile as one of the world's "High Human Development" countries.

Chile's Foreign Policy In Action

Founding member of the United Nations and a non-permanent member of the UN Security Council in 1996-1997.

Founding member of the Organization of American States and active participant of the Río Group.

Key supporter of the Organization of American States successful effort to invoke the common defense provisions of the Americas, following the September 11 terrorist attacks on the U.S.

Founding member of the General Agreement on Tariffs and Trade (GATT) and of the World Trade Organization (WTO).

Associate member of the Southern Common Market (MERCOSUR).

Host of the Second Summit of the Americas (Santiago, 1998), where negotiations for a Free Trade Area of the Americas (FTAA) agreement were launched.

Member of the Asia-Pacific Economic Cooperation Forum (APEC).

Foreign Policy Objectives

The United States is Chile's single-largest trading partner.

Chile is a beacon of freedom and economic success and thus wields influence beyond most small nations. Its domestic economic and social success is reflected in the basic principles of its external policy. Just as its domestic policies promote freedom and the rule of law, Chile's commitment to "open regionalism" encourages open and free societies and the adherence to international agreements, particularly in Latin America.

Promote constructive ties around the world.

Chile has cultivated a balanced presence on the world stage, having developed strong economic, trade and political ties with most regions of the world, from Latin America and the U.S. to Europe and Asia.

Support the internationalization of the Chilean economy.

Chile has created a network of agreements and alliances explicitly designed to open markets with its neighbors in Latin America, but also throughout the Americas, Europe and Asia. It is an adherent to the premise that global free trade is a worthy objective to be pursued with vigor.

OPIC's Small Business Center (SBC)

WHAT IS THE SBC?

Building on OPIC's outreach efforts to the small business community, the Small Business Center offers qualified small businesses the opportunity to utilize OPIC's resources with improved customer service, flexible coverage and easier access through a streamlined approval process.

Recognizing the time constraints facing many small businesses, the Center is committed to considering all applications within a 60-day period. The SBC is made up of experienced OPIC personnel who are dedicated solely to working with small businesses.

WHY WAS THE SBC CREATED?

The Overseas Private Investment Corporation is committed to helping America's small businesses grow through investments in over 150 emerging markets around the world. OPIC recognizes that small businesses looking to participate in the global marketplace have

unique requirements. Lack of resources to pursue opportunities abroad, concern over political risks, or the inability to find private sector support can prevent U.S. small businesses from expanding overseas. The SBC will help meet these needs by providing financing and political risk insurance to eligible small businesses.

WHO IS ELIGIBLE?

Any U.S. small business with annual revenues less than \$35 million is eligible for SBC programs. For businesses with annual revenues over \$35 million and under \$250 million, OPIC's regular small business programs are available.

WHAT IS THE SBC POLITICAL RISK PROTECTION PROGRAM?

To protect a small business' overseas investment against political uncertainties overseas, the SBC provides insurance against loss or damage resulting from political violence such as terrorism or war, nationalization or expropriation by a foreign government, or the inability to convert local currency and repatriate profits. Insurance rates are fixed and based upon risk. Terms extend up to 20 years and generally offer up to \$15 million in coverage. There are no minimum investment size requirements.

WHAT IS THE SBC FINANCE PROGRAM?

Loan amounts for overseas investments range from \$100,000 to \$10 million with terms from 3-15 years. Interest rates will be capped at 7% above the Direct Loan Discount Rate which is set by the U.S. Treasury. In addition, there may be a one-time maintenance fee of up to 2% and an annual fee not to exceed 1% of the outstanding balance of the loan. While the eligible U.S. small business must own at least 25% of the overseas project, OPIC may be able to finance up to 65% of the total project costs.

WHAT IS THE APPLICATION PROCESS?

For political risk insurance, the small business needs to register their project, complete an insurance application, and provide a formal business plan. For financing, the small business needs to submit a completed finance application, formal business plan, and sponsor disclosure forms. The approval process will take 60 days from the time of submission of completed documents.

For more information, please call OPIC's Small Business Center at 800-CALLSBC (800-225-5722) or visit OPIC's website at www.opic.gov.



Peter Watson
President OPIC